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September 25, 2006

Via Electronic Filing

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: *Ex Parte* Communications, CC Docket No. 99-273

Dear Ms. Dortch:

This letter is being filed to notify you that on Friday, September 22, Lois Pines with InfoNXX, Inc., and the undersigned, as counsel, met with John Hunter, Chief of Staff to Commissioner McDowell, and with Chairman Kevin Martin. We discussed how the consumer benefits from Commission action to deregulate directory assistance, how dialing parity was essential, and how consumers across the European Union have benefited from retail DA competition. The attached materials were distributed.

If you have any questions, please contact the undersigned.

Sincerely,

Gerard J. Waldron

Gerard J. Waldron
Counsel to InfoNXX, Inc.

Attachment

cc: Mr. John Hunter

DC: 2301811-1

Briefing for Commissioner McDowell

Directory Assistance Competition
InfoNXX, Inc.

September 22, 2006

CC Docket No. 99-273

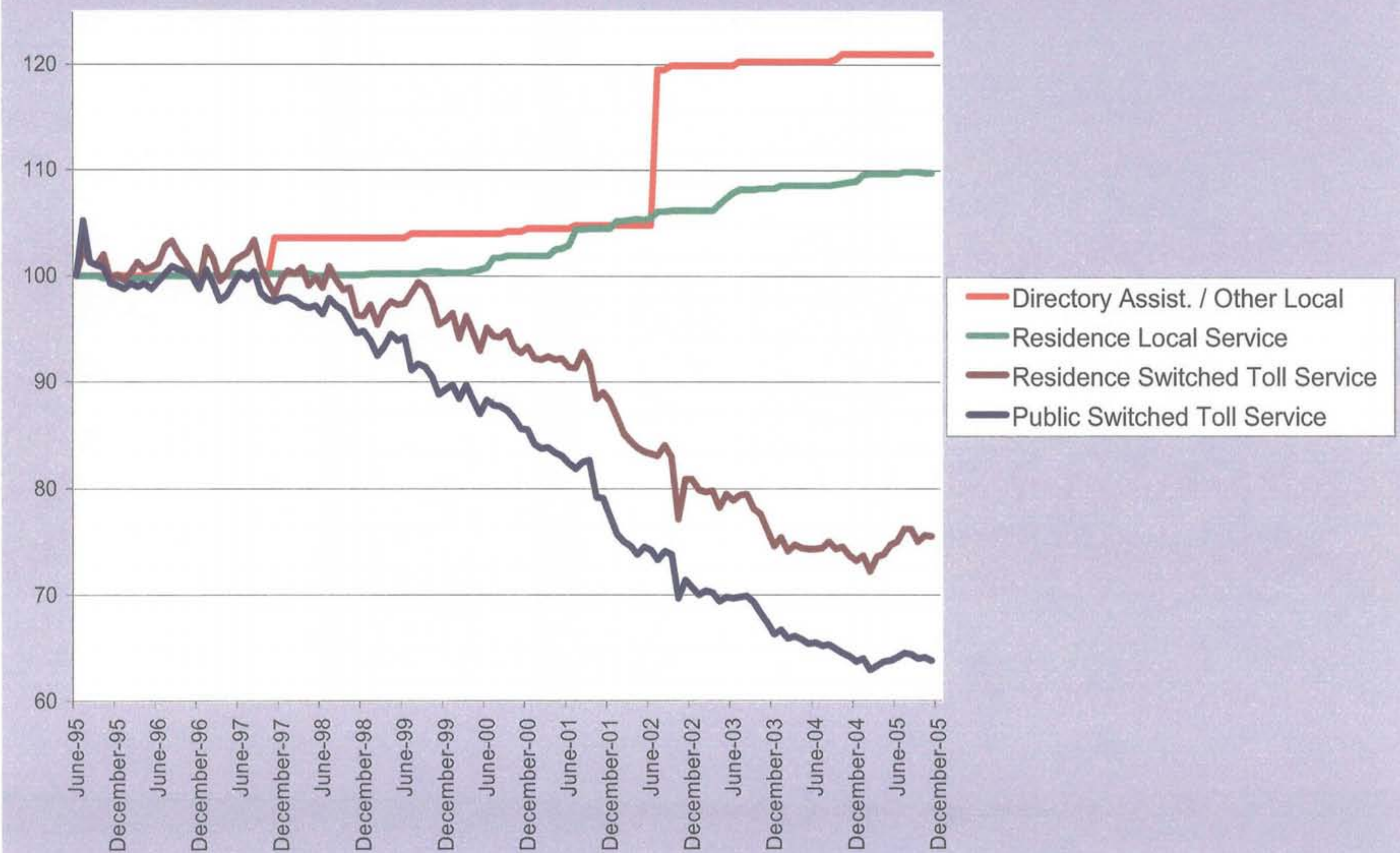
Who Is InfoNXX?

- Founded in 1991, InfoNXX is the leading competitive directory assistance provider for wireless and competitive networks.
  - InfoNXX, a privately held company with over 10,000 employees worldwide, with its U.S. headquartered in Bethlehem, Pennsylvania with call centers throughout the United States in Arizona, North Carolina, Texas, Hawaii – and now Kansas.
  - InfoNXX entered the U.K. DA market which was opened to competition in December 2002, and also operates in France, Italy, Ireland, Switzerland and Austria.
- InfoNXX uses live operators to provide higher quality service and has pioneered many enhanced DA services such as:
  - "call completion" service that connects the caller directly to the number.
  - movie listings for local theatres, restaurant reservations, driving directions and other information in addition to providing telephone numbers.

FCC Action To Promote Wireline Retail DA Competition Is Long Overdue

- 1996 Telecom Act sought to promote competition in *all* telecommunications markets.
- The $5 billion wireline DA sector has been left out of the FCC's pro-competitive efforts.
  - Wireline DA is still controlled almost exclusively (through 411) by ILECs; nonlocal DA products through 411 have *tightened* ILEC control of the wireline retail DA market.
  - Wireline DA prices have been *increasing* since the 1996 Act.

Producer Price Indices for Telecommunications



Source: Bureau of Labor Statistics, Producer Price Index, Current Series (November 2005) (August to November 2005 are preliminary). Through 2003, the series presented are Standard Industrial Classification (SIC) codes PCU4813#11401 (directory assistance), PCU4813#111 (residence local service), PCU4813#21 (residence switched toll service), and PCU4813#2 (public switched toll service). At the end of 2003, BLS converted from SIC to the North American Industry Classification System (NAICS). Beginning with January 2004, the series presented are the NAICS codes 517110114 (other local service), 517110111 (residence local service), 51711021 (residence switched toll service), and 5171102 (public switched toll service), which according to the BLS's SIC to NAICS Concordance Table, are the continuation of the pervious SIC series. *See* SIC Publication Structure and Comparable NAICS Indexes in the PPI, http://www.bls.gov/ppi/ppisictoc.htm.

Most States: Rates Going Up, Up, Up

- Residential DA of $1.25 or more: **42 states**
- Residential DA of $1.50 or more: **13 states**
- Residential DA of $1.99 or more: **9 states**
- Why are consumer prices rising since 1996 Act?
  - ➢ Carrier costs have plummeted with intense **wholesale** competition.
- Only explanation: No effective **retail** competition.

Bold Entries are for changes since the previous chart 08/01/06

State	ILEC	Notes	Reg. Status	Status Date	DA Res local/toll	DA Res LD	DA Bus local/toll	DA Bus LD	DACC	REV	Allowances & Exemptions: Calls	Handicap	Hospital	Other Allowances or notes	effective date	tariff checked
Alabama	BellSouth	3	Reg/Pricing Flex	Sep-1995	0.95	0.95	0.95	0.95	free	.30	none	Yes(local)	No		6/15/2003	8/30/2006
Alaska	ACS/Alascom		Regulated	Dec 04	0.75	0.75	0.75	0.75			Local & LD Res 2, Bus 2	Yes (+LD)	Yes (+LD)	Alaska, Anchorage, Fairbanks & Northland have the same local & LD rate of $0.75	6/28/2006	8/30/2006
Alaska	GCI		Regulated	Dec 04	1.40	1.99	1.40	1.99						no allowances or excamptions	8/28/06	8/30/2006
Arizona	Qwest	4	Competitive	Jun-1999	1.15	1.15	1.15	1.15	free w/local		1 local bus&res	Yes(local)	No		5/1/2006	8/30/2006
Arkansas	ATT(SBC)	2&3			1.50	1.99	1.50	1.99	0.25	1.99	none	Yes(local)	Yes(local)		7/24/2006	8/30/2006
California	ATT(SBC)	3	Regulated		0.46	1.99	0.46	1.99	0.33	1.99	local res 3, bus 0	Yes(local)	No		7/24/2006	8/30/2006
California	VZ(gte)	2			0.35	0.95	0.35	0.95	0.45	.95	local res 5, bus 2	Yes(local)	No		5/5/2004	8/30/2006
Colorado	Qwest	4	Deregulated	Apr-2000	1.25	1.25	1.25	1.25	free + toll		none	Yes (+LD)	No		12/9/2005	8/30/2006
Connecticut	Verizon	4	Regulated		0.40	1.25	0.40	1.25	0.35	1.25	Local 3 res	Yes (+LD)	No	Business Category Search $1.25	3/1/2004	8/30/2006
Connecticut	ATT(SBC)	4	Regulated		1.25	1.50	1.25	1.50	free	1.25/1.50	none	Yes (+LD)	No		7/24/2006	8/30/2006
Delaware	Verizon	4	Comp/Pricing Flex	Oct-1999	1.25	N/A	1.25	N/A		1.25	none	Yes(local)	Yes(local)	Business Category Search $1 25	8/9/2004	8/30/2006
Dist. Of C	Verizon	1			0.46	1.25	0.46	1.25		1.25	local res 5	Yes (+LD)	No		4/1/2005	8/30/2006
Florida	BellSouth	1	Reg/Pricing Flex	Jan-1996	1.25	1.25	1.25	1.25	.30	0.85	None	Yes(local)	No		8/4/2006	8/30/2006
Florida	VZ(gte)	1			0.85	1.25	0.85	1.25	.45	1.25	local 3 res 1 bus	Yes(local)	No		11/1/2005	8/30/2006
Florida	EMBARQ(Sprint)	1			0.55	0.95	0.55	0.95	0.50		local res 1, bus 1	Yes(local)	No		7/24/2006	8/30/2006
Georgia	BellSouth	3	Deregulated	Feb-2006	1.35	1.35	1.35	1.35	free w/local	.45	none	Yes(local)	No	Dr Assistance is now deregulated per BellSouth effective 2/28/2006. no change in rates	6/4/2006	8/30/2006
Hawaii	Hawaiian Telcom	1&5			0.50	0.95	0.50	0.95	0.45	.95	local 5 bus&res	Yes (+LD)	Yes (+LD)	com (public)	7/15/2004	8/30/2006
Idaho No.	Qwest	1	Regulated		0.35	0.85	0.35	0.85			local 1 bus&res	Yes(local)	Yes(local)		8/1/2005	8/30/2006
Idaho So.	Qwest	4	Deregulated	Apr-1989	1.25	1.25	1.25	1.25	free w/local		none	Yes(local)	No		8/1/2005	8/30/2006
Illinois	ATT(SBC)	1	Comp/Pricing Flex	Jun-2005	1.25	1.99	1.25	1.99	0.35	1.99	none	Yes(local)	No	Bus all lines $1.99	7/24/2006	8/30/2006
Indiana	ATT(SBC)	2 & 3	Comp/Pricing Flex	May-2001	1.50	1.99	1.50	1.99	0.05	1.99	local res 1 local or LD	Yes (+LD)	Yes (+LD)		6/10/2006	8/30/2006
Iowa	Qwest	4	Deregulated	Feb-2001	1.25	1.25	1.25	1.25	free w/local		none	Yes (+LD)	No		7/1/2005	8/29/2006
Kansas	ATT(SBC)	2	Deregulated	Jun-2001	1.50	1.99	1.50	1.99	.025/.05	1.99	none	Yes(local)	No	Bus Category Search, $1.50; 3rd party billed, $3 75	7/24/2006	8/29/2006
Kentucky	BellSouth	3	Reg/Pricing Flex	Jul-2000	1.35	1.35	1.35	1.50	free w/local		none	Yes(local)	No	Introduced $.75 surcharge for local and ld	8/1/2006	8/30/2006
Louisiana	BellSouth	6	Reg/Pricing Flex	Dec-2001	**1.25/1.35**	1.35	**1.25/1.35**	1.35	0.30	1.35	local res 1 & bus 1	Yes (+LD)	Yes (+LD)	Local DA = $1.25, Toll DA = $1 35	8/17/2006	8/29/2006
Maine	Verizon	4			0.40	1.25	0.40	1.25		.95	local res 3	Yes(+LD)	No		8/1/2005	8/29/2006
Maryland	Verizon	2	Competitive	Apr-05	0.75	1.25	0.75	1.25	.30	1.25	res 4 local or LD	Yes (+LD)	Yes (local)		9/1/2005	8/29/2006
Massachusetts	Verizon	7			1.25/1.25	1.25	1.25/1.25	1.25	0.35	.95/1.25	10 in state Bus/res	Yes	No	65+ years waived, also state & muni dvs, NP & NL	4/1/2005	8/29/2006
Michigan	ATT(SBC)	2	Pricing Flex	Feb-2001	1.25	1.66	1.25	1.66	0.30 local	1.99	local res 0, bus 0	Yes(local)	No	no allowances or exemptions	7/24/2006	8/29/2006
Minnesota	Qwest	1	Competitive	Dec-1998	0.72	1.25	0.72	1.25	0.40		local 1 bus&res	Yes(local)	Yes(local)		1/1/2006	8/29/2006
Mississippi	BellSouth	2	Reg/Pricing Flex	Jan-1996	1.20	1.25	1.20	1.25	0.30		none	Yes (+LD)	Yes (+LD)	hotel/motel are exempt for local	4/1/2005	8/29/2006
Missouri	ATT(SBC)	3 & 4	Regulated		0.73	1.27/1.37	0.73	1.27/1.37	0.30	1.50		Yes(local)	No	30 res, 10 bus local allow, for new # or NL or NP only/ Business Category Search $1 45	7/24/2006	8/29/2006
Montana	Qwest	4	Competitive	Dec-2000	0.95	0.95	0.95	0.95	0.35		local res 3	Yes(local)	No		7/30/2001	8/29/2006
Nebraska	Qwest	4	Deregulated	Apr-1986	1.25	1.25	1.25	1.25	free w/local		none	Yes (+LD)	No		6/6/2002	8/29/2006
Nevada	ATT(SBC)	3	Regulated		1.50	1.99	1.50	1.99	0.45 local	1.99	local res 0, bus 0	Yes(local)	No		1/1/2006	8/29/2006
Nevada	EMBARQ(Sprint)	4			1.45	1.45	1.45	1.45	free		none	Yes(local)	No		11/15/2004	8/29/2006
New Hampshire	Verizon	4	Regulated		1.25	1.25	1.25	1.25	0.35	.95	local 3 bus&res	Yes(local)	No		4/1/2005	8/29/2006
New Jersey	Verizon	7	Competitive		0.50	1.25	1.25	1.25	0.30/1.00		local res 4	Yes(local)	Yes	Hotel/Motel, BCS $1.25	6/23/2005	8/29/2006
New Jersey	EMBARQ(Sprint)	3			0.20	0.95	0.20	0.95			res 10, bus 0	Yes	Yes	Hotel/Motel	2/21/2006	8/29/2006
New Mexico	Qwest	4	Regulated		0.72	1.02	0.72	1.02	0.35		none	Yes(local)	Yes		5/1/2005	8/29/2006
New York	Verizon	1	Regulated		1.25	1.25	1.25	1.25	free w/local	1.25	none	Yes (+LD)	No	Business Category Search $1 25	6/19/2006	8/29/2006
North Carolina	BellSouth	8	Deregulated	Dec-05	**0.97/1.35**	1.35	**0.97/1.35**	1.35	0.30	.30	local 4 bus&res	Yes(local)	No	Local DA = $0.97, Toll DA = $1.35	8/14/2006	8/29/2006
North Dakota	Qwest	4	Non-regulated	Jan-1999	1.25	1.25	1.25	1.25	free w/local		none	No	No		8/1/2005	8/29/2006
Ohio	ATT(SBC)	8	Regulated		1.50/1.50	1.99	1.50/1.50	1.99	0.25 local	1.99	none	Yes(local)	Yes(local)	nursing homes exempt & local and toll have dif charges	2/1/2006	8/29/2006
Oklahoma	ATT(SBC)	2	Regulated		0.49	1.50	0.49	1.99	.10	1.50	local res 3, bus 1	Yes(local)	Yes(local)		4/11/2006	8/29/2006
Oregon	Qwest	4	Regulated		0.50	0.85	0.50	0.85	0.35		local 2 bus&res	Yes(local)	Yes(local)		7/7/2005	8/29/2006
Pennsylvania	Verizon	9	Regulated		0.95	1.25	0.95	1.25	0.30	.95	res 2, dorms 2	Yes (+LD)	Yes (+LD)	Nursing homes	4/1/2005	8/29/2006
Puerto Rico	PRTC				1.25	N/A	1.25	N/A	free		none	Yes		Exemptions for bus and res visual or physical handicapped	7/1/2006	8/29/2006
Rhode Island	Verizon	4	Comp Svc Gp IV		0.72	1.25	1.25	1.25	0.35	.95	res 5,	Yes(+LD)	Yes		5/1/2006	8/29/2006
South Carolina	BellSouth	1	Comp/Pricing Flex	Jan-1996	1.35	1.35	1.35	1.35	free w/local		None	Yes(local)	No	Yes(LD) within the company's npa/lata for the originating line Free/DACC(LD)	7/1/2006	8/29/2006
South Dakota	Qwest	4	Deregulated	Dec-1999	1.25	1.25	1.25	1.25	free w/local		none	Yes(+LD)	No		1/1/2004	8/29/2006
Tennessee	BellSouth	4	Regulated		.98/.98	0.98	.98/.98	0.98	0.45	.30	local 3 bus&res	Yes(local)	No		10/1/2005	8/29/2006
Texas	ATT(SBC)	3	Pricing Flex		1.30	1.99	1.30	1.99	0.25	1.99	None	Yes(local)	Yes(local)	**Business Category search $1.99 / There are no call allowances for Bus. Or Res.**	8/14/2006	8/29/2006
Texas	VZ(gte)	1			1.25	1.25	1.25	1.25	free	free with ld	res 3 local +1/HNPA call	Yes(+LD)	Yes(+LD)		12/5/2002	8/29/2006
Texas	EMBARQ(Sprint)	8			1.45	1.45	1.45	1.45	free		None	Yes (local)	Yes(local)	**There are no call allowances for Bus. or Res.**	8/1/2006	8/29/2006
Utah	Qwest	4	Competitive	Oct-1999	1.25	1.25	1.25	1.25	free w/local		none	Yes(+LD)	No		12/1/2003	8/29/2006
Vermont	Verizon	4			0.64	0.95	0.64	0.95	0.35	.95	res or stud.ctrs 3 local	Yes(+LD)	No	Disabled calling cards	11/20/2003	8/29/2006
Virginia	Verizon	2			0.29	1.25	0.29	1.25		0.95	res&bus 3 local	Yes(+LD)	Yes(local)	LD DA not available from hospitals	11/30/2002	8/29/2006
Washington	Qwest	4	Competitive	Apr-1999	1.25	1.25	1.25	1.25	free w/local		local res 1, bus 0	Yes (+LD)	Yes(local)	exemptions in different tariff payphone direct dial $0 75	6/24/2004	8/29/2006
Washington	Verizon	1 & 3			1.25	1.25	1.25	1.25	free	free with ld	None	Yes(+LD)	Yes(local)	Hotel/Motel exempt with local & ld	5/1/2005	8/29/2006
West Virginia	Verizon	4	Competitive (III)		0.75	1.25	0.75	1.25	0.50		res & dorms 2 local	Yes(+LD)	No	No longer offer reverse look up in the WV area	6/1/2004	8/29/2006
Wisconsin	ATT(SBC)	3	Pricing Flex		1.50	1.99	1.50	1.99	free w/local	1.99	none	Yes(local)	No		1/1/2005	8/29/2006
Wyoming	Qwest	4	Non-regulated	Nov-1995	1.25	1.25	1.25	1.25	free w/local		none	Yes(+LD)	No		3/10/2005	8/29/2006

Long Distance Providers

Company	Access method	Rate	Jurisdiction
AT&T	"00 INFO"	1.99	National
	10-10-ATT-00	1.99	National
	1-800-CALLATT	1.99	National
	NPA-555-1212	1.99	National
Sprint	NPA-555-1212	2.49	National
MCI	10-10-9000	0.99	National
	NPA-555-1212	3.49	National
VarTec	10-10-987 + NPA-555-1212	2.49	National

NOTES REGARDING LOCAL and LD definitions

	Local	LD
1	Local area listings	All listings outside local call area
2	Within HNPA	All listings outside HNPA area
3	Within LATA	All listings outside LATA
4	Within the state	All listings outside the state
5	Hawaii inter-island free if 808-555-1212 is dialed	
6	Louisiana has 3 rates Local, intralata(toll) and interlata	
7	Mass.& NJ have 3 rates intralata, intrastate & interstate	
8	3 rates local, HNPA and outside HNPA	
9	PA 2 rates regional calling area and outside regional calling area	

High DA Rates: Who Suffers?

- Residential and small business customers.
  - ➢ They don't have a choice.
- Competing DA providers like InfoNXX provide benefit and value to large users.
- All consumers — especially residential and small business users – should have the benefits of lower prices and innovation.

The Commission Has Not Acted

- Retail DA NPRM (Jan. 2002) concluded that the wireline retail directory assistance market is one of the few telecom markets that has not seen competition and sought comment on possible regulatory measures to promote such competition.
- NPRM asked about:
  - Benefits of wireline retail DA competition
  - Consumer reaction to competitive DA models
  - Possible methods for accomplishing retail DA competition
- The Commission has yet to act on this NPRM.

Supporting Wireline DA Competition
(Comments at the FCC)

- Consumer Groups
  - AARP, National Consumers League
- NARUC – unanimous vote for retail DA competition.
- State PUCs – added additional support for DA competition.
  - Nebraska, Oklahoma, South Dakota, Texas, Washington, New Jersey Ratepayer Advocate.

555 Numbers For All Providers – A Workable Solution

- Implementation of 555 numbers for retail DA competition is the best way to jump-start competition in the retail DA market.
- Elimination of the US default codes – 411 & 555-1212 – is a prerequisite to competition.
- Consumers will readily adapt to using 555 numbers. They are already familiar with the use of 555 numbers for information services.
- ILECs already route 555 numbers – therefore, a 555 solution would not be administratively or technically burdensome.
- Over ten years ago, the Commission adopted a decision that entities other than LECs should be able to use national and regional 555 numbers.

411 Presubscription and Other DA Proposals Will Not Result in Competitive Benefits

- 411 Presubscription:
  - Imposes significant technical and administrative burdens on LECs, competitive providers and consumers.
  - Is expensive and time-consuming.
  - Preserves much of the incumbent provider's advantage in the retail DA market.
- Other DA Proposals:
  - 411XX/411XXX. This proposal attempts to preserve some vestige of 411, but would result in consumer confusion and require more education than 555 implementation. In addition, this option would be more difficult to implement because 5-digit and 6-digit numbers are not a standard string in the U.S.
  - Carrier Access Codes (101XXXX). This proposal also would cause consumer confusion because 101XXXX numbers are associated with "dial around" long distance services. Use of CACs potentially would exclude business users from the retail DA market because many PBXs are programmed to block 101XXXX numbers.

European Union Mandates DA Competition

- For the benefit of consumers, the E.U. mandated DA competition.
- Nearly all E.U. countries have implemented DA competition, and consumers embraced the change: they picked alternative promoters, who quickly gained major market share with better service and greater value. Consumers now have lots of choice in different languages and the availability of basic DA service in some countries at prices which are less that were available prior to deregulation.

Competitive Retail DA Service - The U.K. Model

- The U.K. Model:
  - In September 2001, Oftel ordered the withdrawal of the DA default code 192.
  - Oftel introduced new access codes (118-NXX) for all DA providers, which were awarded via lottery.
  - InfoNXX and other companies have invested tens of millions of dollars in the UK retail DA market and competing against other DA providers.

The U.K. Experience: Consumers Will Dial New Numbers to Access New Services

- The most popular new services are those offering something that was not available from 192, higher quality, or enhanced services.
- Call completion has been the most popular enhancement.
- The service that has realized the greatest increases in call volume is based on offering greater enhancements and higher service quality.

Benefits Of Retail DA Competition: U.S. Wholesale and E.U. Experience

- Diverse Offerings: UK consumers can now choose among over 200 different DA offerings with a variety of services available at a range of prices (including flat-fee and per-minute offerings).

- Enhanced Services: U.S. competitive DA providers pioneered services such as free call completion, driving directions, movie listings, restaurant reservations, Spanish-language DA, stock quotes and sports scores. InfoNXX's The Number UK offers business search, category search, mobile text-messaging of a number, call connection, driving directions and public transportation information and pricing information on popular retail products at different retail establishments.

- Lower Prices: In the UK, there is now significant variation in prices for DA services, which is a sign of a healthy competitive market; customers can now choose DA services substantially cheaper than the pre-competition DA rates or can opt for higher-cost premium services.

Other European Models
Have Not Yielded Effective Competition

- European models lacking true numbering parity between incumbents and competitive entrants have failed to yield effective competition.
- Some countries that initially preserved an incumbent dialing advantage have learned that true numbering parity is a pre-condition to effective competition.
- Spain changed its regulatory regime for the second time in only a few years to remove legacy number. The removal of only one of the two legacy numbers in the Netherlands by the Ministry has led to no new entrants in the DA market.

Wireline Retail DA: Essential Questions

1. Can the retail DA market sustain competition?
   - Yes - Look at experience in Europe.

2. Will consumers respond to DA competition?
   - Yes - Consumers respond to competitive choice.

3. How best can the FCC bring retail DA competition to this sector of the telecommunications industry?
   - Provide numbering parity - transition away from 411 and implement 555 numbers.
   - Require ILECs to route calls.

The same model that was followed for long distance competition.